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State of California—Health and Human Services Agency
Department of Health Care Services
LEA Medi-Cal Billing Option Program
Frequently Asked Questions (FAQs)



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General Program Requirements

****PLEASE REVIEW THE LEA MEDI-CAL BILLING OPTION PROVIDER MANUAL FOR COMPLETE LEA PROGRAM AND POLICY INFORMATION****

Q1. Is there a booklet that explains the LEA Medi-Cal Billing Option? Do you send periodic updates to LEA providers regarding program changes?

- A. Yes, there is a specific portion of the Medi-Cal provider manual that explains the LEA Medi-Cal Billing Option Program. To obtain a copy, you can contact the Telephone Service Center (TSC) at 1-800-541-5555, or download an electronic copy on-line via the [Medi-Cal website](#) or on the [LEA Program website](#). Updates to the Medi-Cal provider manual are automatically sent to all enrolled LEA providers; other parties may request to receive provider bulletins and manual replacement pages by calling TSC at 1-800-541-5555.

Q2. Can private schools participate in the LEA Medi-Cal Billing Option Program?

- A. Private schools do not qualify as LEA providers. However, the Individuals with Disabilities Education Act (IDEA) 2004 does include provisions to ensure that students in private schools have access to special education services. For example, in certain cases a student may receive services at the public school district where the private school is located. According to California Education Code, Sections 56170 - 56177, a public agency must administer funds and property used to provide special education and related services.

Q3. Are there any guidelines available on patient confidentiality?

- A. Yes. All medical records under this program are confidential and cannot be released without the written consent of the beneficiary or his/her personal representative. According to State Medi-Cal regulations, information can be shared or released between individuals or institutions providing care, fiscal intermediaries, and State or local official agencies. However, the Family Educational Rights and Privacy Act (FERPA) require that schools obtain written consent from the parent or guardian prior to releasing any medical information in personally identifiable form from the student's education record. Additional information is located in the [loc ed](#) section in the LEA Provider Manual.

Q4. Are there regulations stipulating that a billing vendor may not be paid on a percentage basis?

- A. In the March 2009 provider training sessions, Audits and Investigations personnel cited the following regulations:
[California Code of Regulations § 51502.1](#). Requirements for Electronic Claims Submission.

(a) As used in this section, the following definitions shall apply:

(1) "Biller" includes any employee, officer, agent or director of the entity which will bill on behalf of a provider pursuant to a contractual relationship with the provider which does not include payment to billers on the basis of a percentage of amount billed or collected from Medi-Cal.

In addition, the [Code of Federal Regulations, Title 42](#): Public Health, includes detail on payments made to business agents:

PART 447—PAYMENTS FOR SERVICES

Subpart A—Payments: General Provisions

§ 447.10 Prohibition against reassignment of provider claims

(f) Business agents. Payment may be made to a business agent, such as a billing service or an accounting firm, that furnishes statements and receives payments in the name of the provider, if the agent's compensation for this service is—

(1) Related to the cost of processing the billing;

(2) Not related on a percentage or other basis to the amount that is billed or collected; and

(3) Not dependent upon the collection of the payment.

Q5. How can LEAs participate in the LEA Adhoc Workgroup meetings?

- A. If an LEA would like to become part of the Ad Hoc Workgroup, they can send an email to the LEA mailbox at LEA@dhcs.ca.gov.

Q6. Why did the LEA paid claims withholds changed?

- A. All LEAs are charged a withhold from total paid claims reimbursement to help fund costs for the state to administer the LEA Program. LEAs are currently subject to two withholds for the entire fiscal year. The first is a 1% administrative fee(RAD 795). The second is a combined 2.5% withhold to fund the A&I administrative fee for CRCS auditing and SB 231 activities (RAD 298). The total 2.5% withhold collected will be \$2,150,000. As part of AB 2608, SNF determined that collecting throughout the entire fiscal year (as opposed to starting and stopping mid-year) would allow for proportionate withhold collection from all LEAs.

Q7. What are the new requirements of parental consent given the changes to IDEA, and how is the issue of parental consent for billing handled?

- A. On February 14, 2013, the Department published in the Federal Register IDEA Part B final regulations that change the requirements in 34 CFR 300.154(d) related to parental consent to access public benefits (e.g., Medicaid). These final regulations require that public agencies:
- obtain a **one-time written consent** from the parent, after providing the written notification described below, *before* accessing the child's or the parent's public benefits or insurance for the first time
 - provide **written notification** to the child's parents *before* accessing the child's or the parent's public benefits or insurance for the first time and prior to obtaining the one-time parental consent and annually thereafter
- ❖ Note that one-time written consent is required per deliverable service.